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FISCAL IMPACT REPORT

ORIGINAL DATE 2-2-06

SPONSOR Rodella LAST UPDATED _____ HB 586

SHORT TITLE EL RITO WASTEWATER DEVELOPMENT PLAN SB _____

ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$65.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 586 appropriates \$65 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for a planning grant for the community of El Rito to develop a plan for wastewater, including water from the northern New Mexico state school, an elementary school, a health clinic and the United States forest service complex.

FISCAL IMPLICATIONS

The appropriation of \$65 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA indicated that lack of cooperation among rural water and wastewater providers have hindered delivery of cost effective and quality services in rural New Mexico, and has resulted in scarce and expensive system where they do exist. Recognizing this problem, the El Rito com-

munity of Rio Arriba County in 2003 became one of three pilot projects in the state to collaborate on an area-wide water planning process, with the assistance of water system expert and a skilled facilitator. Out of the process came a formal merger into one water system. HB586 attempts to emulate the water planning experience in the wastewater arena. Participants in this process include the Northern NM Community College's El Rito branch, the community's elementary school, a health clinic and the US Forest Service complex.

DH/mt